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NEWS RELEASE

**FOR IMMEDIATE RELEASE
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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Carlton Johnson, age 32, formerly of Yorktown, Virginia, pled guilty today in U.S. District Court in Norfolk to counts one and twenty of the indictment pending against him. Count one charged Johnson with wire fraud, as part of a fraudulent scheme to make charges against stolen credit cards, and count twenty with possession of thousands of stolen credit card numbers. Johnson faces a maximum prison term of 5 years and a \$250,000 fine for count one, and a maximum prison term of 10 years and a \$250,000 fine for count twenty. He is scheduled to be sentenced on July 21, 2004 by United States District Judge Rebecca Beach Smith.

In September 2003 a Norfolk federal grand jury returned a twenty-count indictment against Johnson. The indictment charged him with 13 counts of wire fraud, four counts of misusing another's means of identification, one count of possessing 15 false identification documents, one count of possessing tools for making false identifications, and one count of possessing stolen credit card numbers.

The investigation revealed that Johnson designed a sophisticated scheme to make charges against stolen credit card numbers made payable to fictitious businesses that he had established. Johnson used personal computers to manufacture fake local business licenses and false identifications. Using various false identities, Johnson used these licenses to open business accounts at local banks. Johnson also opened merchant accounts with credit processing companies and directed that these companies wire any credit charges into his business bank accounts. Using Verifone transmitters, Johnson made hundreds of charges against stolen credit card account numbers. An analysis of Johnson's business bank accounts revealed deposits of credit card proceeds of approximately \$315,000.

In May 2002 investigators searched Johnson's Yorktown residence and found an informal laboratory set up for committing the crimes described above. Among the items seized, which Johnson has agreed to forfeit, were: \$46,400 cash, numerous false identifications, including six military IDs, three driver's licenses, and three social security cards, records from various businesses with customers' names and approximately 10,000 stolen credit card account numbers,

six Verifone credit card transmitters, 14 cellular telephones bearing labels identifying each for use in conjunction with the fake businesses established by the defendant, publications on how to make false IDs, and tools and computers for manufacturing false IDs and other documents.

The investigation was conducted by the federal and local agencies working in the Hampton Roads Financial Crimes Task Force. Assistant United States Attorney Robert J. Krask is prosecuting the case.

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